

### REMARKS/ARGUMENTS

In the Office Action of May 19, 2005 (the "Office Action"), original Claims 1-73 are rejected under 35 U.S.C. 103(a) as being unpatentable over Wang, U.S. Patent 6,885,748 ("Wang") in view of Hunter et al., U.S. Patent 6,647,417 ("Hunter et al."); and also under 35 U.S.C. 103(a) as being unpatentable over Sims, III, U.S. Patent 6,438,235 ("Sims III") in view of Hunter et al.

#### **1. Prima facie case of obviousness**

The examiner bears the initial burden of factually supporting any *prima facie* conclusion of obviousness. If the examiner does not produce a *prima facie* case, the applicant is under no obligation to submit evidence of nonobviousness. MPEP § 2142.

To establish *prima facie* obviousness of a claimed invention, all the claim limitations must be taught or suggested by the prior art. In re Royka, 490 F.2d 981, 180 USPQ 580 (CCPA 1974). "All words in a claim must be considered in judging the patentability of that claim against the prior art." In re Wilson, 424 F.2d 1382, 1385, 165 USPQ 494, 496 (CCPA 1970). If an independent claim is nonobvious under 35 U.S.C. 103, then any claim depending therefrom is nonobvious. In re Fine, 837 F.2d 1071, 5 USPQ2d 1596 (Fed.Cir. 1988).

Applicant respectfully submits that a *prima facie* case of obviousness has not been established, because one or more elements of each of the claims 1-73 is neither taught nor suggested by the cited references, as will be explained below.

**2. Rejection of Claims 1-73 under 35 U.S.C. 103(a) under Wang in view of Hunter et al.**

Claim 1 recites "ascertaining terms for providing a protected material to a prospective recipient according at least in part to information of unauthorized copying of other protected material previously provided to said prospective recipient."

In order to teach the underlined elements of this claim, the terms upon which a protected material is to be provided to a prospective recipient must be based at least in part on the following information:

1. copying of "other protected material" (i.e., not the material for which the terms are being ascertained),
2. the other protected material must have been "previously provided" to the prospective recipient (i.e., not provided concurrently with or after the material for which the terms are being ascertained), and
3. the copying of the other protected material must have been "unauthorized copying" (i.e., it was not activity authorized by the content owner or distributor).

Rather than pointing out where these elements of Claim 1 are found in the cited references, the Office Action states that the "Examiner interprets such type of incentive as a purchaser who has fulfilled a certain requirement with a manufacturer of a product," and proceeds to assert that "Hunter discloses a music distribution system that a customer can choose to order music at times when content providers offer pricing specials or incentives."

Applicant respectfully submits that such a position is incorrect by law since it fails to consider all words in Claim 1 in judging its patentability and in particular, the underlined words in items 1-3 above. "All words in a claim must be considered in judging the patentability of that claim against the prior art." In re Wilson, 424 F.2d 1382, 1385, 165 USPQ 494, 496 (CCPA 1970).

When all words in the underlined portion of Claim 1 above are considered, as they ought to be, then it is clear that neither Wang nor Hunter et al., alone or in combination, teach or suggest such elements.

As admitted in the Office Action, "Wang fails to disclose the steps of providing a copy of said protected material to said prospective recipient in accordance with said terms that is information of unauthorized copying of other protected material previously provided to said prospective recipient."

As explained in applicant's prior communication of March 10, 2005, Hunter et al. also fails to disclose these elements of Claim 1.

As a preliminary matter, however, the term "piracy history" was used in the prior communication as a simpler way of stating "information of unauthorized copying of other protected material previously provided to said prospective recipient". As noted in the prior communication, this substitution of terms is fully supported in the specification on page 14, lines 1-10, and in particular, where it states that "information of unauthorized copying of other A/V content previously provided to recipients of such A/V content" is "referred to as the recipient's 'piracy history'."

Accordingly, even though the claims of the application do not use the term "piracy history," it is to be understood that use of this term in the following discussion should be considered as an abbreviated way of saying "information of unauthorized copying of other protected material previously provided to said prospective recipient", which language is in the claims and should be fully considered in determining the patentability of the claims. Thus, applicant requests that all arguments made herein, as well as those previously made, be considered even though the term "piracy history" is used instead of its equivalent language "information of unauthorized copying of other protected material previously provided to said prospective recipient" as used in the claims.

Hunter et al. teaches the distribution of music containing unique ID tags, which limits piracy by making it possible to prove that a CD is an illegal copy, as well as to identify

the source of the illegal copy. See, Col. 16, lines 17-20. When piracy is detected using the ID tags, Hunter et al. neither teaches nor suggests that such piracy activity should or can be used to ascertain terms upon which other protected material is to be provided to the pirate. Instead, it teaches the use of its ID tags to detect piracy and after such detection, prosecute or threaten legal prosecution of the pirates. See, Col. 16, lines 31-32 and lines 55-60.

The Office Action attempts to point to language in Hunter et al. that refers to content providers offering pricing specials or incentives (Col. 4, lines 8-29) as teaching the element of "ascertaining terms for providing a protected material to a prospective recipient according at least in part to information of unauthorized copying of other protected material previously provided to said prospective recipient."

However, there is nothing in Hunter et al. to teach or suggest that such pricing specials or incentives are provided on an individual basis to a prospective recipient of protected material, nor that any such pricing specials or incentives that might be offered on an individual basis would be according to the piracy history of the prospective recipient.

Accordingly, Claim 1 is believed to be patentable under 35 U.S.C. 103(a) over Wang in view of Hunter et al., since these two references do not teach each and every element of the claim and in particular, neither reference teaches nor suggests that a prospective recipient's piracy history should be used to ascertain terms under which protected material is to be provided to the prospective recipient, or alternatively stated, neither

reference teaches nor suggests the elements of “ascertaining terms for providing a protected material to a prospective recipient according at least in part to information of unauthorized copying of other protected material previously provided to said prospective recipient.”

Claims 2-73 are also believed to be patentable under 35 U.S.C. 103(a) over Wang in view of Hunter et al. for essentially the same reasons stated in reference to Claim 1.

**3. Rejection of Claims 1-73 under 35 U.S.C. 103(a) under Sims III in view of Hunter et al.**

Like Wang and Hunter et al., Sims III also fails to teach or suggest the element of “ascertaining terms for providing a protected material to a prospective recipient according at least in part to information of unauthorized copying of other protected material previously provided to said prospective recipient”.

In Sims III, the protected content is stored on a bulk storage media. Protection is provided in this case by a means through which the media is securely identified as being original and a playback device is securely identified as being authorized. As a consequence, devices or users of the media may be assured that interaction therewith is authorized as each end can securely identify the other and each end can securely send data to the other end. See, e.g., col. 3, lines 24-34.

Thus, Sims III is concerned with making sure that only the intended recipient of material is able to receive a transmission of the material. It prevents the unauthorized copying from occurring in the first place. As stated in Sims III, "Operation of the present invention is not to allow or disallow any particular transmission, but rather to obscure the content (information or data), using cryptographic methods, such that only a legitimate recipient can make use of that data, i.e., nobody but the content owner, or those authorized by him/her, is able to copy protected media content." See, Col. 3, lines 34-40.

Accordingly, Claim 1 is believed to be patentable under 35 U.S.C. 103(a) over Sims III in light of Hunter et al., since these two references do not teach each and every element of the claim and in particular, neither reference teaches nor suggests that a prospective recipient's piracy history should be used to ascertain terms under which protected material is to be provided to the prospective recipient, or alternatively stated, neither reference teaches nor suggests the elements of "ascertaining terms for providing a protected material to a prospective recipient according at least in part to information of unauthorized copying of other protected material previously provided to said prospective recipient."

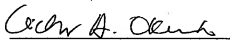
Claims 2-73 are also believed to be patentable under 35 U.S.C. 102(e) over Sims III in view of Hunter et al., for essentially the same reasons stated in reference to Claim 1, as well as any other reasons stated in reference to Sims III in Applicants' prior communications.

The specification was amended to correct a typographical error. No new matter has been added.

Claims 1-73 remain pending in the application. Reconsideration of the rejection of these claims is respectfully requested for the reasons stated herein, and an early notice of their allowance earnestly solicited. If the Examiner believes that it would expedite the processing of this case, he is respectfully requested to contact the undersigned attorney at the number shown below.

Respectfully submitted,

Dated: August 19, 2005

  
Victor H. Okumoto  
Registration No. 35,973  
(510) 792-1112